

More Federal Recovery Act Housing Resources Becoming Available

May 4. Continuing to move quickly to put to work the nearly \$13 billion invested in U.S. Department of Housing and Urban Development programs by the American Recovery and Reinvestment Act of 2009 ("Recovery Act"), HUD Secretary Shaun Donovan announced Monday the Notice of Funding Availability for the Neighborhood Stabilization Program (NSP2), including a separate \$50 million technical assistance NOFA. Applications for NSP funds are due July 17. The deadline for the technical assistance applications is June 8.

This will be the second round of funding for NSP. The Neighborhood Stabilization Program was created in last year's Housing and Economic Recovery Act (HERA) to stabilize and revive local neighborhoods and housing markets with heavy concentrations of foreclosed properties. Subsequent to the enactment of HERA, HUD distributed \$3.92 billion by formula to state and local government to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values at the local level. The Recovery Act has provided an additional \$2 billion for NSP to be awarded competitively, rather than by formula. States, units of local governments, non-profits and consortia of non profits may apply for NSP funds to acquire land and property; to demolish or rehabilitate abandoned properties; to offer downpayment and closing cost assistance to low- to middle-income homebuyers; and to create "land banks" to assemble, temporarily manage, and dispose of foreclosed homes. The Neighborhood Stabilization Program also seeks to prevent future foreclosures by requiring housing counseling for families receiving homebuyer assistance. Eligible applicants may partner with a for-profit.

10 Year Plan communities committed to producing housing outcomes to prevent and end homelessness should take special note that as in the first round, no less than 25 percent of the funds must be used for purchase and redevelopment of abandoned and foreclosed- upon homes and residential properties to house individuals and families whose incomes do not exceed 50% of area median income.

NSP2 NOFA

<http://www.hud.gov/recovery/nsp2-nofa.pdf>

NSP Technical Assistance NOFA

<http://www.hud.gov/recovery/nsp-ta-nofa.pdf>

HUD's NSP Reference Page including press release

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/>

To register for HUD's May 14 NSP webcast, click [here](#).

<http://www.hud.gov/webcasts/recovery.cfm>

Interagency partnerships are a hallmark of the Obama Administration approach. Working in concert, HUD and the Department of Treasury on Monday announced implementation of \$5 billion in Recovery Act funding that will spur the development of thousands of affordable housing units in states around the country. As noted in the joint announcement,

"One of the by-products of the economic crisis has been the freezing of the investment in Low Income Housing Tax Credit, the federal government's program for the development of affordable rental housing. Tax credits provide an incentive for investors to participate in the program, which in turn provides equity to developers to build multi-family rental housing for moderate and low income families across the nation. Developers depend on the equity generated as a result of the incentive provided by the tax credits to fill project financing gaps. In the current financial crisis, credit is tight, and as a number of traditional equity investors have left the market, the value of tax credits have plummeted. The result is that as many as 1,000 projects containing nearly 150,000 units across the country are on hold."

To address this the Recovery Act has made it possible for the Treasury Department to offer state housing agencies resources from which they will in turn provide cash assistance to developers of qualified affordable housing developments to fill the Low Income Housing Tax Credit (LITC) gap. Read More.

<http://www.treasury.gov/recovery/LIH-grants.shtml>

Through the Recovery Act's Tax Credit Assistance Program, HUD will award \$2.25 billion in grants to state housing credit agencies to complete construction of qualified housing developments. The Tax Credit Assistance Program (TCAP) provides grant funding for capital investment in Low Income Housing Tax Credit (LIHTC) projects via a formula-based allocation to State housing credit allocation agencies. The housing credit agencies in each State shall distribute these funds competitively and according to their qualified allocation plan. Projects awarded low income housing tax credits in fiscal years 2007, 2008, or 2009 are eligible for funding, but housing credit agencies must give priority to projects that are expected to be completed by February 2012. Seventy-five percent of TCAP funds must be committed by February 2010, 75 percent must be expended by February 2011, and 100 percent of the funds must be expended by February 2012. Read More.

<http://www.hud.gov/recovery/notice.pdf>